

Markets for You

17 Jun 2020

Good gets *better*

Indices Performance

Global Indices	16-Jun	Prev_Day	Abs. Change	% Change#
Russell 3000	1,529	1,499	30	2.03
Nasdaq	9,896	9,726	170	1.75
FTSE	6,243	6,065	178	2.94
Nikkei	22,582	21,531	1,051	4.88
Hang Seng	24,344	23,777	567	2.39
Indian Indices	16-Jun	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	33,605	33,229	376	1.13
Nifty 50	9,914	9,814	100	1.02
Nifty 100	10,097	10,006	92	0.92
Nifty 500	8,152	8,086	66	0.81
Nifty Bank	20,297	19,913	384	1.93
S&P BSE Power	1,499	1,509	-10	-0.66
S&P BSE Small Cap	11,850	11,845	5	0.04
S&P BSE HC	16,135	16,172	-37	-0.23

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
16-Jun	21.32	1.10	24.31	1.54
Month Ago	19.20	1.22	20.98	1.67
Year Ago	27.98	1.22	29.24	1.23

Nifty 50 Top 3 Gainers

Company	16-Jun	Prev_Day	% Change#
HDFC Bank	990	950	4.27
HDFC Ltd.	1822	1752	4.01
ICICI Bank	343	331	3.58

Nifty 50 Top 3 Losers

Company	16-Jun	Prev_Day	% Change#
Tata Motors	95	101	-5.72
Bharti Infratel	216	223	-3.10
Tech Mahindra	533	549	-2.82

Advance Decline Ratio

	BSE	NSE
Advances	1172	847
Declines	1408	1036
Unchanged	148	65

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-2663	-19673
MF Flows**	1484	35984

 *16th Jun 2020; **12th Jun 2020

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	5.84% (Mar-20)	7.35% (Dec-19)	2.86% (Mar-19)
IIP	-55.50% (Apr-20)	-18.30% (Mar-20)	3.20% (Apr-19)
GDP	3.10% (Mar-20)	4.10% (Dec-19)	5.70% (Mar-19)

Since May-17, MOSPI has revised base year of IIP & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

[1] Data as on 15 Jun, 2020

Global Indices

- Asian markets rose with investor sentiments buoyed by U.S. Fed expanded bond-buying programme. The U.S. central bank said it would buy individual corporate bonds, thereby indicating a broader approach to corporate bond buying. Today (as on June 17), Asian markets eased as the International Monetary Fund said the global economy is set to see a more significant contraction than it previously forecast. Both Nikkei and Hang Seng were trading down 0.73%, and 0.21% (as at 8.a.m. IST), respectively.
- European markets surged as sentiment improved after the U.S. Federal Reserve expanded its bond-buying program. Also reports that the U.S. government plans to draw up a huge infrastructure package. News about discovery of a new drug to treat seriously ill covid-19 patients added to the gains.
- U.S. markets rose after upbeat U.S. retail sales in May 2020, as stores began to reopen following the coronavirus lockdown. Retail sales surged 17.7% in May 2020 after falling by a revised 14.7% in Apr 2020.

Indian Equity Market

- Indian equity markets closed higher despite renewed signs of geo-political tension between India and China. Investors took positive cues from U.S. Fed's expanded bond-buying programme, which led to expectation of higher foreign fund inflow in the domestic market.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.13% and 1.02% to close at 33,605.22 and 9,914.00 respectively.
- The overall market breadth on BSE was weak with 1,172 scrips advancing and 1,408 scrips declining. A total of 148 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Finance was the major gainer, up 2.39% followed by S&P BSE Bankex, up 1.95% and S&P BSE Metal, up 1.47%. S&P BSE Telecom was the major loser, down 1.46% followed by S&P BSE Realty, down 0.75% and S&P BSE Power, down 0.66%.

Domestic News

- According to the survey by the Centre for Monitoring Indian Economy, India's employment rate surged 3.3% to 35.7% for the week ended Jun 14, 2020 from 32.4%. The latest weekly rise is the highest jump so far, as business resumes and people join back the workforce
- According to media reports, the gross direct tax collection dropped 31% to Rs. 1,37,825 crore in the Mar quarter of the 2020. Advance corporation tax collections plunged 79%. A country-wide lockdown was in place aimed at restricting the spread of the coronavirus pandemic during the Apr and May 2020.
- Under the Rs. 3 lakh crore Emergency Credit Line Guarantee Scheme for the Micro, Small & Medium Enterprise (MSME) sector, public sector banks have disbursed Rs. 16,031.39 crore till Jun 12, 2020. MSME sector is adversely affected due to Covid-19 crisis.
- Prime Minister held a meeting with chief ministers and Lt Governors of 21 states and union territories. He said the economy is showing "green shoots" as the country emerges from the coronavirus lockdown. He asserted that the fight against the pandemic is a fine example of cooperative federalism where the Centre and the states are working together.
- Mahindra & Mahindra Ltd is expected to come out with a new range of tractors, produced in partnership with Japan's Mitsubishi, to further improve its domestic and overseas market position.
- Beenext, a venture capital firm based in Singapore, said it has closed two new funds by raising a total of \$160 million. The first \$110 million fund, 'Beenext Emerging Asia Fund,' will focus on empowering early-stage startups and founders in India and South East Asia to accelerate digital technologies that have led innovation and growth across sectors in the new normal.



FII Derivative Trade Statistics			
(Rs Cr)	16-Jun		
	Buy	Sell	Open Int.
Index Futures	7920.38	8275.40	7886.10
Index Options	218936.96	218686.80	52833.63
Stock Futures	16251.02	18278.25	81285.50
Stock Options	5628.99	5695.51	5834.71
Total	248737.35	250935.96	147839.94

Derivative Statistics- Nifty Options			
	16-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.28	1.34	-0.07
Put Call Ratio(Vol)	1.13	0.93	0.20

Debt Watch				
	16-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.58%	3.52%	3.97%	5.83%
T-Repo	2.95%	3.11%	3.00%	5.66%
Repo	4.00%	4.00%	4.40%	5.75%
Reverse Repo	3.35%	3.35%	3.75%	5.50%
91 Day T-Bill	3.29%	3.40%	3.35%	5.98%
364 Day T-Bill	3.52%	3.49%	3.72%	6.10%
10 Year Gilt	6.04%	6.00%	6.05%	6.92%
G-Sec Vol. (Rs.Cr)	32367	33915	31938	92107
FBIL MIBOR ^[1]	3.87%	3.99%	4.46%	5.80%
3 Month CP Rate	4.20%	4.30%	4.55%	6.70%
5 Year Corp Bond	6.85%	6.84%	7.03%	8.04%
1 Month CD Rate	3.26%	3.29%	3.87%	6.03%
3 Month CD Rate	3.41%	3.51%	3.57%	6.33%
1 Year CD Rate	4.15%	4.08%	4.60%	7.15%

Currency Market			
Currency	16-Jun	Prev_Day	Change
USD/INR	75.84	76.11	-0.26
GBP/INR	96.04	94.84	1.20
EURO/INR	85.96	85.52	0.44
JPY/INR	0.71	0.71	0.00

Commodity Prices				
Commodity	16-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	38.21	38.93	28.94	52.42
Brent Crude(\$/bl)	40.69	40.19	29.79	64.57
Gold(\$/oz)	1727	1714	1741	1341
Gold(Rs./10 gm)	47374	46588	40989	33061

Source: Refinitiv

[1] Data as on 15 Jun, 2020

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Derivatives Market

- Nifty Jun 2020 Futures stood at 9,897.85, a discount of 16.15 points below the spot closing of 9,914.00. The turnover on NSE's Futures and Options segment rose to Rs. 16,92,243.64 crore on June 16, 2020, compared with Rs. 12,02,860.24 crore on June 15, 2020.
- The Put-Call ratio stood at 1.06 compared with the previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 1.28 compared with the previous session's close of 1.34.
- Open interest on Nifty Futures stood at 11.36 million, compared with the previous session's close of 11.69 million.

Indian Debt Market

- Bond yields rose following geo-political tension between India and China. Investors are also awaiting measures from Reserve Bank of India to help absorb the heavy supply, as well as policy easing.
- Yield on the new 10-year benchmark paper (5.79% GS 2030) rose 6 bps to close at 5.85% from the previous close of 5.79% after moving in a range of 5.80% to 5.86%.
- Yield on the old 10-year benchmark paper (6.45% GS 2029) rose 6 bps to close at 6.03% from the previous close of 5.97% after moving in a range of 5.97% to 6.04%.
- Banks did not borrow under the central bank's Marginal Standing Facility on Jun 15, 2020 compared to that of Jun 12, 2020 when banks borrowed none.

Currency Market Update

- The Indian rupee weakened against the greenback as escalating geopolitical tensions between U.S. and China at the border weighed on the market sentiment. Worries of a second wave of coronavirus infections also contributed to the downside. The rupee fell 0.25% to close at 76.21 per U.S. dollar from the previous close of 76.02.
- The euro fell against the greenback as the latter strengthened after retail sales in U.S rebounded in May.

Commodity Market Update

- Gold prices rose on economic uncertainty.
- Brent crude prices rose after the International Energy Agency increased its oil demand forecast for 2020.

International News

- The U.S. Federal Reserve announced that it will start buying corporate bonds on the top of exchange traded funds which it already is buying. The objective of the move is to provide support to the functioning of markets and ease credit conditions.
- The Bank of Japan kept interest rates on hold in its monetary policy review and expanded the size of the coronavirus lending program to ¥110 trillion from ¥75 trillion to lend support to the economy which has been reeling under the COVID-19 pandemic.
- Data from the U.S. Commerce Department showed that retail sales in U.S. surged 17.7% in May 2020 following a 14.7% fall in Apr 2020 which can be attributed to relaxations on coronavirus lockdowns.


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Nippon india Mutual Fund

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**Thank you for
your time.**

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